

March 25, 2010

Hi –

Residuals are complex. Flummoxed by formulas? Most people are. Whether it's 1.2% of gross, 100% of TAM, or the complexities of new media, it's easy to find your knickers in a twist if you spend more than a few minutes puzzling over this stuff.

Puzzle no longer — or, at least, not as much as before. I've managed to compress most of the guild and union residuals formulas onto a single page color chart. A second page gives cross references to the actual sections and paragraphs of the guild and union agreements themselves. That means you can look up the actual contract language and marvel at its opacity.

The chart's not available in stores, but it is free, and suitable for framing. You could also laminate it for a nice placemat. See attached or get your copy at my blog, <http://www.jhandel.com> (check back from time to time for updates). Feel free to print, email and distribute. And let me know if you have corrections or comments (jhandel@att.net).

Best,


Jonathan Handel

RESIDUALS SUMMARY CHART – DGA, WGA, SAG, AFTRA AND IATSE – KEY SCRIPTED PROGRAM TYPES – © 2010 JONATHAN HANDEL

Residuals summary chart v. 17.doc Avail. at jhandel.com & jhandel@att.net. Chart is for current scripts & product unless indicated. Omits DGA FLTTA, WGA Art. 64 & App. A, AFTRA front of book, AFM, and one-off deals. *Italics = out-of-pattern or no pattern.*

A1 Reused in: Made for:	B Theatrical	C Free TV - Network Primetime	D Free TV - Syndication or Non-Primetime	E Foreign (Free TV, Basic Cable, & Ad-Supported Streaming of TV Product)	F Pay TV (also in-flight, except that F4 & F5 = F3)	G Home Video	H Domestic Basic Cable	I/J New Media - Consumer Paid		K New Media - Ad-Supported (except foreign streaming of TV product)	
								eRental	EST		
2 Theatrical <small>Generally, no residuals for pre-5/1/60 (DGA), 6/13/60 (WGA), 2/1/60 (SAG), 1/31/60 (IATSE) theatrical product. But, WGA: post-1948 Universal product is subject to residuals.</small>	No residuals.	1.2% of gross (1.8% if “outright sale”; rarely used provision) (SAG 3x, IATSE 4.5x)			1.2% of gross (SAG 3x, AFTRA TV 3x, IATSE theatrical 4.5x).	1.5% (to 1.8%) of Producer’s gross (=20% of worldwide wholesale gross if affiliated video co.; else, 100% of fee recd by producer) (1.8% at \$1M Prod. gross) (SAG 3x, AFTRA TV 3x, IATSE theatrical 4.5x). Pre-1984/85 differs.	1.2% of gross (SAG 3x)	1.2% of gross (SAG 3x)	1.8% to 3.25% of 20% of gross (SAG 3x, IATSE 4.5x) (3.25% > 50K units)	1.2% of gross (SAG 3x, IATSE 4.5x) > 50K units)	1.2% of gross (SAG 3x, IATSE 4.5x) for post-7/1/71 product. No residuals specified for older product.
3 Free TV (all) <small>AFTRA: network primetime only. WGA: AM depends on made for network primetime vs. not. IATSE: no residuals on made for TV or HV product reused in traditional media (B3-H6) or in ad-supported NM (K3-6).</small>	DGA: U.S./Can, 150% theatrical AM; non-U.S./Can, 100% of same; both, 150% of same. WGA – made for free TV or basic cable: U.S., greater of theatrical AM or 150% of the “other than network prime time” TV AM; non-U.S., same formula but 100% instead of 150%; both, use U.S. formula. WGA - made for pay TV or HV: 100% theat AM. SAG, AFTRA: U.S./Can, 150% TAM; non-U.S./Can, same (alt: 50% TAM per non-U.S./Can zone); both, 200% TAM. AFTRA - basic cable: may differ.	After free run: 100% of: RB (Residual Base, DGA); AM (WGA); or TAC subject to ceiling (Total Actual Compensation, SAG/AFTRA).	After free run: Run by run declining % of: RB (DGA), AM (Applicable Minimum, WGA), or TAM (Total Applicable Min., SAG/AFTRA; but their AM’s differ).	15%, 10%, 10% of RB/AM/TAM triggered by telecast or gross breaks; then 1.2% gross (SAG/AFTRA 3x) above a gross break.	1.2% of gross (SAG 3x, AFTRA TV 3x, IATSE theatrical 4.5x).	2% (SAG/AFTRA 3x) of lic. fee after 100K units (WGA, SAG: 75K for 30/60 min pay TV product). DGA: if initial release on pay cable, must also meet gross break.	2% of gross (2.5% for pre-7/1/84 product) (SAG/AFTRA 3x)	2% of gross (SAG 3x, AFTRA TV 3x, IATSE theatrical & TV 4.5x) for post-7/1/71 product (SAG TV 7/20/52; AFTRA n.d.; IATSE 2/1/73). No residuals specified for older product.	1.8% to 3.5% of 20% of gross (SAG/AFTRA 3x, IATSE theatrical & TV 4.5x) (3.5% at greater than 100K units)	Non-library product: 24 day (1 st season or one-time programs) or 17 day (subsequent season) free window, then two 26 wk. windows ea. @ 3% (rising to 3.5% at start of 3 rd CBA contract year) of RB/AM/TAM, then (1 year after end of free window) 2% of gross (SAG/AFTRA 3x). (WGA: for 30 or 60 minute teleplay written on or after 5/2/10, for network primetime product the residual for each 26 week window is 2% of “accountable receipts” (i.e., gross), but accountable receipts are imputed to be \$20K (30 minute) or \$40K (60 minute)).	
4 Pay TV <small>WGA: For made for pay TV product of a type not generally produced for primetime network TV, use cells F5-G5 rather than F4-G4 for release in pay TV and home video.</small>	Similar to made for free TV (C3). DGA - high budget pay TV motion picture (>=80 min, >=\$5M budget): 1.2% of gross. DGA - other product: 20% discount on residuals until gross break.	Similar to made for free TV (D3). DGA - high budget pay TV motion picture (>=80 min, >=\$5M budget): 1.2% of gross. DGA - other product: 20% discount on residuals until gross break.	Similar to made for free TV (D3). DGA - high budget pay TV motion picture (>=80 min, >=\$5M budget): 1.2% of gross. DGA - other product: 20% discount on residuals until gross break.	Similar to made for free TV (E3). DGA - high budget pay TV motion picture (>=80 min, >=\$5M budget): 1.2% of gross. DGA - other product: 20% discount on residuals until gross break.	DGA (max resid. = AM/yr.): Dom cbl: sub fees %yr (+ poss 2% GR > brk). PPV 2% GR > brk. WGA dom: fixed \$/yr. > 10 exh. days / 1 yr. SAG/AFTRA dom after same: 6% GR; also, 2nd svc. 6% GR. Foreign svc.: 2% GR (SAG/AFTRA 3x).	See F4 for DGA, SAG/AFTRA. WGA: 2% of aggregate GR after aggregate GR break.	2% of gross (2.5% for pre-7/1/84 product) (SAG/AFTRA 3x)	SAG/AFTRA: 4 or fewer performers: 1.5% gross x number of performers (this also applies to all 6% or “3x” figures in F4, G4, F5, G5, but not to H3)	26 week free window then 1.2% of gross (SAG /AFTRA 3x, IA 4.5x). But Original NM <= \$25K per min.: no residuals. IATSE derivative or original: no residuals unless >= 2 IATSE crew and initial release is ad supported.	Above is for 2008/09 product. AMPTP and WGA disagree whether this formula (and J2) also apply to all post-7/1/71 product.	Library product prior to 2008/09 Agt. as to which free TV residuals still payable: 2% gross (SAG/AFTRA 3x).
5 Home Video	Same as if made for free TV (F3-G3).	Similar to made for free TV (C3). WGA: if >=10 runs on basic cable or <= 66 episodes in series, 2% gross.	Similar to made for free TV (D3). WGA: 2% GR if test in C6 met. DGA & SAG synd: if > 10 runs or 1 yr. on basic cable: 2% GR (DGA) or DGR-discounted run % TAM (SAG). (DGR = Distrib’s Gross.)	Similar to made for free TV (E3). DGA & WGA use syndication RB/AM here and in C6-D6.	Same as if made for free TV (F3-G3).	Same as if made for free TV (F3-G3).	Same as if made for free TV (F3-G3).	Same as if made for free TV (H3).	13 wk. free window, then two 26 wk. wins. @ 3% (to 3.5%) of RB/AM (SAG & applicable AFTRA: flat \$20-\$25), then (1 year after end of free window) 2% (SAG/AFTRA 3x) gross. IA: no residuals.	No residuals	
6 Basic Cable (High Budget) <small>Low budget terms are freely negotiated. Also, AFTRA rules may differ.</small>	Same as if made for free TV (F3-G3).	Similar to made for free TV (C3). WGA: if >=10 runs on basic cable or <= 66 episodes in series, 2% gross.	Similar to made for free TV (D3). WGA: 2% GR if test in C6 met. DGA & SAG synd: if > 10 runs or 1 yr. on basic cable: 2% GR (DGA) or DGR-discounted run % TAM (SAG). (DGR = Distrib’s Gross.)	Similar to made for free TV (E3). DGA & WGA use syndication RB/AM here and in C6-D6.	Same as if made for free TV (F3-G3).	Same as if made for free TV (F3-G3).	Same as if made for free TV (F3-G3).	Same as if made for free TV (H3).	13 wk. free window, then two 26 wk. wins. @ 3% (to 3.5%) of RB/AM (SAG & applicable AFTRA: flat \$20-\$25), then (1 year after end of free window) 2% (SAG/AFTRA 3x) gross. IA: no residuals.	No residuals	
7 Derivative New Media <small>Defn.: DGA, WGA, IA: NM based on TV or HV. SAG, AFTRA: same, except not basic cable. SAG: also includes NM based on theatrical.</small>	Same as if made for free TV (F3-G3).	Similar to made for free TV (C3-E3). Foreign (E7) is unspecified. DGA, WGA: Primetime runs of product <=15 min treated as non-primetime. DGA - RB: syndication RB. WGA - AM: the “bargain rate” (high budget for Derivative NM, low for Original NM). SAG/AFTRA - residual base: for Derivative NM: Network primetime residual ceiling (i.e., the C3 ceiling, not TAC or TAM) for the underlying program, prorated; for Original NM: Network primetime residual ceiling for 1/2 hour (prorated) or closest length (for >30 min). IATSE: no residuals.	Similar to made for free TV (D3). WGA: 2% GR if test in C6 met. DGA & SAG synd: if > 10 runs or 1 yr. on basic cable: 2% GR (DGA) or DGR-discounted run % TAM (SAG). (DGR = Distrib’s Gross.)	Similar to made for free TV (E3). DGA & WGA use syndication RB/AM here and in C6-D6.	Same as if made for free TV (F3-G3).	Same as if made for free TV (F3-G3).	Same as if made for free TV (F3-G3).	Same as if made for free TV (H3).	13 wk. free window, then two 26 wk. wins. @ 3% (to 3.5%) of RB/AM (SAG & applicable AFTRA: flat \$20-\$25), then (1 year after end of free window) 2% (SAG/AFTRA 3x) gross. IA: no residuals.	No residuals	
8 Original NM	Same as if made for free TV (F3-G3).	Similar to made for free TV (C3-E3). Foreign (E7) is unspecified. DGA, WGA: Primetime runs of product <=15 min treated as non-primetime. DGA - RB: syndication RB. WGA - AM: the “bargain rate” (high budget for Derivative NM, low for Original NM). SAG/AFTRA - residual base: for Derivative NM: Network primetime residual ceiling (i.e., the C3 ceiling, not TAC or TAM) for the underlying program, prorated; for Original NM: Network primetime residual ceiling for 1/2 hour (prorated) or closest length (for >30 min). IATSE: no residuals.	Similar to made for free TV (D3). WGA: 2% GR if test in C6 met. DGA & SAG synd: if > 10 runs or 1 yr. on basic cable: 2% GR (DGA) or DGR-discounted run % TAM (SAG). (DGR = Distrib’s Gross.)	Similar to made for free TV (E3). DGA & WGA use syndication RB/AM here and in C6-D6.	Same as if made for free TV (F3-G3).	Same as if made for free TV (F3-G3).	Same as if made for free TV (F3-G3).	Same as if made for free TV (H3).	13 wk. free window, then two 26 wk. wins. @ 3% (to 3.5%) of RB/AM (SAG & applicable AFTRA: flat \$20-\$25), then (1 year after end of free window) 2% (SAG/AFTRA 3x) gross. IA: no residuals.	No residuals	
9 Experm. NM	Covered at co. option. Experimental = (a) budget <= \$15K/min. & \$300K/episode & \$500K/order (converse for WGA & AFTRA) & (b) no: DGA prior e/ee, prof I writer, covered performer, or < 4 IA jobs.										

Chart omits some exceptions (e.g. in C3, D3 & D6), promo launch period, CW, MyNetworkTV, holiday program exhibition day rule, first run definition, initial comp adjustments based on release pattern, supersized episodes, clips, foreign, non-English, animation, payments for separated rights or the like, series bonuses, arb. decisions, bargaining history, P&H, AICF, ICF, commissionability, interest, & deadlines. RB/AM/TAC/TAM residuals are per employee; gross % are aggregate & subject to allocation formulas (not shown).

RESIDUALS SUMMARY CHART – PAGE 2 – REFERENCE SOURCES – © 2010 JONATHAN HANDEL (ok to copy or email without alteration)

Residuals summary chart v. 17.doc Available from jhandel.com & jhandel@att.net. Chart is unofficial and is for convenience only. For definitive information, refer to union/guild agreements, bargaining history, arbitration decisions and experienced advisers.

A1 Reused in: Made for:	B Theatrical	C Free TV - Network Primetime	D Free TV - Syndication or Non-Primetime	E Foreign (Free TV, Basic Cable, & Ad-Supported Streaming of TV Product)	F Pay TV (also in-flight,)	G Home Video	H Domestic Basic Cable	I New Media - Consumer Paid		K New Media - Ad-Supported (except foreign streaming of TV product)
								eRental	EST	
2 Theatrical	Unspecified.	BA 19-101 to 104. MBA15.A.2, 3 (preamble), 3.a, b. CBA 5.A. IATSE BA XIX(b)(1)-(3).			BA 18-101, 102, 103. MBA 51.C.1.a. CBA 5.2.A(1), E(1), (2). TVA 5.2. Netcode Ex. D, §§ 3.A, 4.A, B. IATSE BA XXVIII(b)(1).	BA 18-101, 102, 104. MBA 51.C.1.b, SL to Art. 51. CBA 5.2.A(2), E(1), (3). TVA 5.2. Netcode Ex. D, §§ 3.A, 4.A, B. IATSE BA XXVIII(b)(2).	BA 18-102 (2nd to last para). MBA 58. CBA 5.A (implicit).	BA SL NM Reuse, §§ 1, 5. MBA SL NM Reuse, §§ 1.a, 3.a, 5. CBA/ TVA SL NM Reuse, §§ 1.A, 4.A. Ex. A SL NM Reuse, §§ 1.A, 5.A. IATSE SL NM Reuse, ¶¶ 1.a, 3.a.	BA SL NM Reuse, §§ 2, 5. MBA SL NM Reuse, §§ 1.b, 3.a, 5. CBA/TVA SL NM Reuse, §§ 1.B, 4.A. Ex. A SL NM Reuse, §§ 1.B, 5.A. IATSE SL NM Reuse, ¶¶ 1.b, 3.a.	BA SL NM Reuse, §§ 3.B, 5. MBA SL NM Reuse, §§ 2.a, 3.a. CBA/TVA SL NM Reuse, §§ 2.D, 4.A. IATSE SL NM Reuse, ¶¶ 2, 3.a.
3 Free TV (all)	BA 11-201. MBA 15.B.13.a-c. TVA 19(a)-(c). Netcode Ex. A, § 3.	BA 11-101(b)(1)(i). MBA 15.B.1.a, b(1), 2(a), (d), (3). TVA 18(a), (b)(1), (3), (4). Netcode Ex. A, § 3.	BA 11-101(b)(2)-(4), 24-301, SLs 10 & 12. MBA 15.B.1.a, b(1), (2)(c), (d), (3), SLs 1 & 2 to 15.B.1.b. (2)(c). TVA 18(a), (b)(2), (3), (4), SLs B, B-1 & B-2. Netcode Ex. A, § 3.	BA 11-102. MBA 15.B.2. TVA 18(c)(1)-(4). Netcode Ex. A, § 3.	BA 20-100, 400, 600, 804, SL 7. MBA App. B, §§ D.2, 3.a, G.4. TVA 78(c)(1)a-c), 78(d)(5). Netcode Ex. E, §§ 2.B, 3.A(1), 4.E.	BA 20-100, 400, 700, SL 7. MBA App. B, §§ D.2, 3.b. TVA 78(c)(2) a-c). Netcode Ex. E, §§ 2.B, 3.B(1).	BA 20-802. MBA App. B, § G.3. TVA 78(d)(4). Netcode Ex. E, § 4.D.	BA SL NM Reuse, §§ 1.A, 4.A. Ex. A SL NM Reuse, §§ 1.B, 5.A. IATSE SL NM Reuse, ¶¶ 1.b, 3.a.	BA SL NM Reuse, §§ 3.A, 5. MBA SL NM Reuse, §§ 2.b, 3.a. CBA/TVA SL NM Reuse, §§ 2.A, B, 4.A. Ex. A SL NM Reuse, §§ 2.A, B, 5.A.	
4 Pay TV	BA 20-803. MBA App. B, § G.2. TVA 78(d)(3). Netcode Ex. E, § 4.C.	BA 20-801. MBA App. B, § G.1. TVA 78(d)(1). Netcode Ex. E, § 4.A. (Applicability of TVA and Netcode provisions to reuse in foreign is implicit.)			See F4 for DGA, SAG, AFTRA.	See G4 for DGA, SAG, AFTRA.	BA 20-801. MBA App. B, § G.1. TVA 78(d)(1). Netcode Ex. E, § 4.A. (Applicability of TVA and Netcode provisions to reuse in foreign is implicit.)		BA SL NM Reuse, §§ 1.A, 4.A. Ex. A SL NM Reuse, §§ 1.B, 5.A. IATSE SL NM Reuse, ¶¶ 1.b, 3.a.	BA SL NM Reuse, §§ 3.A, 5. MBA SL NM Reuse, §§ 2.b, 3.a. CBA/TVA SL NM Reuse, §§ 2.A, B, 4.A. Ex. A SL NM Reuse, §§ 2.A, B, 5.A.
5 Home Video	BA 20-803. MBA App. B, § G.2. TVA 78(d)(3). Netcode Ex. E, § 4.C.				MBA App. B, §§ C.2, 3, G.4.	BA 20-801. MBA App. B, § G.1. TVA 78(d)(1). Netcode Ex. E, § 4.A. (Applicability of TVA and Netcode provisions to reuse in foreign is implicit.)		BA SL NM Reuse, §§ 1.A, 4.A. Ex. A SL NM Reuse, §§ 1.B, 5.A. IATSE SL NM Reuse, ¶¶ 1.b, 3.a.	BA SL NM Reuse, §§ 3.A, 5. MBA SL NM Reuse, §§ 2.b, 3.a. CBA/TVA SL NM Reuse, §§ 2.A, B, 4.A. Ex. A SL NM Reuse, §§ 2.A, B, 5.A.	
6 Basic Cable (High Budget) <i>AFTRA: one-off agts (not shown).</i>	BA 23-104(f). MBA App. C, §§ 2(b)(1), (2). SAG Basic Cable Agt., § 1.	BA 23-104(b)-(e). MBA App. C, §§ 2(b)(1), (2). SAG Basic Cable Agt., §§ 5-8.	BA 23-104(f). MBA App. C, §§ 2(b)(1), (2). SAG Basic Cable Agt., § 1.		BA 23-104(f). MBA App. C, §§ 2(b)(1), (2). SAG Basic Cable Agt., § 1.		BA 23-104(a). MBA App. C, §§ 2(b)(1)-(3). SAG Basic Cable Agt., § 3.		BA SL Made for NM, §§ E.1.a, d (& SL NM Reuse, § 5). MBA SL Made for NM, §§ 2.b.(4)(a), (d). CBA/TVA SL Made for NM, §§ B.3(a), (d) (& SL NM Reuse, § 4.A). Ex. A SL NM Reuse, §§ 4.A(4), 5.A. IATSE BA SL Made for NM, ¶¶ F(1)(c), (d).	BA SL Made for NM, §§ E.1.a-c (& SL NM Reuse, § 5). MBA SL Made for NM, §§ 2.b.(4)(a)-(c). CBA/TVA SL Made for NM, §§ B.3(a)-(c) (& SL NM Reuse, § 4.A). Ex. A SL NM Reuse, §§ 4.A(1)-(3), 5.A.
7 Derivative New Media	BA SL Made for NM, § E.1.e.(1). MBA SL Made for NM, § 2.b.(4)(e)(I). CBA/TVA SL Made for NM, § B.3(e)(i). Ex. A SL NM Reuse, § 4.A(5)(a)(i).		BA SL Made for NM, § E.1.e.(2). MBA SL Made for NM, § 2.b.(4)(e)(ii). CBA/TVA SL Made for NM, § B.3(e)(ii). Ex. A SL NM Reuse, § 4.A(5)(a)(ii).			BA SL Made for NM, § E.2.c(2). MBA SL Made for NM, § 3.b.(4)(c)(i). CBA/TVA SL Made for NM, § D.3(c)(ii). Ex. A SL NM Reuse, § 4.B(3)(b). IATSE BA SL Made for NM, ¶ F(2) (applies to pay TV and home video only; no IATSE residuals for basic cable).		BA SL Made for NM, §§ E.2.a, b (& SL NM Reuse, § 5). MBA SL Made for NM, §§ 3.b.(4)(a), (b). CBA/TVA SL Made for NM, § D.3(a), (b) (& SL NM Reuse, § 4.A). Ex. A SL NM Reuse, § 4.B(2). IATSE BA SL Made for NM, ¶¶ F(1)(a), (b)(ii), (c), (d).		BA SL Made for NM, § E.2.a. MBA SL Made for NM, § 3.b.(4)(a). CBA/TVA SL Made for NM, § D.3(a). Ex. A SL NM Reuse, § 4.B(1). IATSE BA SL Made for NM, ¶¶ F(1)(a), (b)(i).
8 Original NM	BA SL Made for NM, § E.2.c(1). MBA SL Made for NM, § 3.b.(4)(c)(i). CBA/TVA SL Made for NM, § D.3(c)(i). Ex. A SL NM Reuse, § 4.B(3)(a).		BA SL Made for NM, § E.2.c(2). MBA SL Made for NM, § 3.b.(4)(c)(i). CBA/TVA SL Made for NM, § D.3(c)(ii). Ex. A SL NM Reuse, § 4.B(3)(b). IATSE BA SL Made for NM, ¶ F(2) (applies to pay TV and home video only; no IATSE residuals for basic cable).			BA SL Made for NM, § E.2.c(2). MBA SL Made for NM, § 3.b.(4)(c)(i). CBA/TVA SL Made for NM, § D.3(c)(ii). Ex. A SL NM Reuse, § 4.B(3)(b). IATSE BA SL Made for NM, ¶ F(2) (applies to pay TV and home video only; no IATSE residuals for basic cable).		BA SL Made for NM, §§ E.2.a, b (& SL NM Reuse, § 5). MBA SL Made for NM, §§ 3.b.(4)(a), (b). CBA/TVA SL Made for NM, § D.3(a), (b) (& SL NM Reuse, § 4.A). Ex. A SL NM Reuse, § 4.B(2). IATSE BA SL Made for NM, ¶¶ F(1)(a), (b)(ii), (c), (d).		BA SL Made for NM, § E.2.a. MBA SL Made for NM, § 3.b.(4)(a). CBA/TVA SL Made for NM, § D.3(a). Ex. A SL NM Reuse, § 4.B(1). IATSE BA SL Made for NM, ¶¶ F(1)(a), (b)(i).
9 Experm. NM	BA SL Made for NM, § B. MBA SL Made for NM, § 1. CBA/TVA SL Made for NM, § C. Ex. A SL Made for NM, § C. IATSE BA SL Made for NM, ¶ B.									

Abbreviations: Agt. = Agreement. BA = DGA Basic Agt. MBA = WGA Minimum Basic Agt. CBA = SAG Codified Basic Agt. TVA = SAG TV Agt. Netcode = AFTRA Network Code. IATSE BA = IATSE Basic Agt. Ex. A = Ex. A of Netcode (unless context indicates otherwise). SL/SLs = Sideletter(s). NM = New Media. "Art.," "Sec." and "Para." are generally omitted. § or ¶ means a section or paragraph within an App., Ex. or SL.